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CIA: Seoul Gave \$400,000 to Democrats in '68

Hill Panel Probes Inaction on '71 Report

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The South Korean government funneled \$400,000 to the Democratic Party in 1968, according to a CIA report that was the basis for a top secret, "eyes only" memo prepared for Attorney General John N. Mitchell and White House national security adviser Henry A. Kissinger in the fall of 1971.

A House subcommittee released a summary of the Nov. 24, 1971, memo from then-FBI Director J. Edgar Hoover yesterday. It said that the Korean Blue House, the presidential mansion, was "directly involved" in a contribution of "several hundred thousand dollars to the Democratic Party."

Other sources said the memo referred to a \$400,000 contribution for the 1968 election campaigns. It is understood that the subcommittee has also received reports that the Republican Party got a smaller, but still a "six figure," contribution from the Korean government in 1968.

Robert Short, of Minneapolis, the Democratic Party treasurer in 1968, denied the report yesterday. A spokesman for the Republican campaign could not be reached immediately for comment.

The House international organizations subcommittee is investigating why executive branch officials didn't act on intelligence reports that specifically stated that Korean agents were paying off members of Congress and otherwise engaging in criminal conduct in the United States.

The subcommittee yesterday released censored versions of three such "eyes only" memos from Hoover to Mitchell and Kissinger.

William McDonnell, the FBI agent who drafted the memos for Hoover, testified yesterday that the bureau did not initiate criminal investigations because an intelligence official said doing so might compromise the "sensitive source" of the charges.

The unidentified official also limited the dissemination of the information to Mitchell and Kissinger, McDonnell said.

Subcommittee investigator Michael J. Hersman testified, however, that a review of the intelligence agency files showed no such restriction on the use of the material.

A spokesman in Kissinger's office said the former national security adviser has "no recollection" of seeing any of these memos.

Rep. Donald M. Fraser (D-Minn.), the subcommittee chairman, said after the hearing yesterday that Kissinger would testify publicly on the matter sometime next month.

Mitchell testified yesterday that he never saw the memo alleging

He said he was certain he would have remembered if he had because of "the reference to hundreds of thousands of dollars to an election I had just gotten through managing on the other side."

The former attorney general, now on medical leave from serving a prison term for the Watergate cover-up, was Richard Nixon's campaign manager during his successful 1968 presidential campaign against Democrat Hubert H. Humphrey.

The same memo said Tongsun Park had made payments to a member of Congress and that Park was acting under Korean Central Intelligence Agency direction. It also said that the Korean government had spent large sums of money to "develop control over" American and Korean journalists in the United States.

Mitchell said he did recall seeing and acting on a Sept. 30, 1971, "eyes only" memo from Hoover that passed along a CIA report that two congressional staff aides "are connected with the KCIA."

He said he went to Capitol Hill on Oct. 14 that year to tell House Speaker Carl Albert about the report.

Though her name was not mentioned during the hearing, the report referred to Suzi Park Thomson, a Korean-born aide to Albert at the time.

Albert told The Washington Post last December that he had been warned by a high administration official that Thomson was "on the payroll of the Korean government." But he took no action, he said, because she signed an affidavit denying the charge.

Mitchell testified yesterday that Albert was "rather passive" when he delivered the message about the alleged KCIA connection. "He referred to the party in question as being a nice young lady, who had a good American education" and a non-sensitive job.

He did not warn the other congressman mentioned, he said, because the member was already under investigation. Sources said later this referred to then-Rep. Cornelius Gallagher (D-N.J.), who at the time had a Korean-born aide named Kim Kwang.

Gallagher later was indicted and convicted on an income tax charge unrelated to the Korean lobbying.

A third "eyes only" memo for Mitchell and Kissinger, dated Feb. 3, 1972, reported that a congressman who had "previously sought

File

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election campaign contributions from President Park [Chung Hee] said that Tongsun Park should be made the Koreans' chief U.S. lobbyist.

It also noted that Philip C. Habib, then U.S. ambassador to Korea, was attempting to have Tongsun Park registered as a foreign agent.

Mitchell, 64, appeared pale and thin during the one-hour session, but often answered questions with a droll wit. He said he did not recall seeing the third memo, though his initials are on it.

He also said that he had not gone back to the intelligence agency to see if the restrictions on use of the material for investigations could be lifted.

That inaction is clearly a key point to subcommittee investigators, who have been questioning what a former U.S. ambassador termed the Nixon administration's "permissive" attitude about the reports of Korean lobbying.

Richard Helms, who was CIA director at the time, said in a phone interview yesterday that he had no recollection of the details in the specific reports mentioned at the hearings.

"But I have a general recollection that whatever we got we passed on to the proper authorities," he said.

A decision to investigate the members of Congress mentioned in the reports would have to be made at a higher executive branch level than the intelligence community, Helms said.

"It would be a judgment of which of the national interests do you take care of," he said. "Which is more important, protecting the national security through its intelligence sources or putting someone in the pokey?"

Subcommittee investigators said they have found no evidence that anyone in the Nixon Justice Department went back to the intelligence agency to ask that the ban on using the material for investigations be dropped.

It was clear from Fraser's questioning yesterday that the House investigators are curious why the FBI, in view of the CIA reports, didn't at least push a parallel investigation of Tongsun Park that had been requested by the State Department.

That 1971 investigation was "perfunctory at best," Fraser said. Park, a Washington businessman who has since been accused of making cash payoffs to members of Congress, was not even interviewed.

The Nixon administration's lack of investigative action, or at least warnings to other members of Congress, has permitted members now under investigation for alleged ethical violations to say they had no way of knowing Tongsun Park or others were Korean agents.

The intelligence reports of large contributions to the major political parties in 1968 apparently are still being checked.

No evidence has yet been found to substantiate the report about the money to the Democrats, a subcommittee investigator said. But he noted that other information in the same memo has proved accurate.

Former Democratic Party Treasurer Short said in a phone interview from Minneapolis that "I can tell you flatly that there was no Korean money in our 1968 campaign unless it came in under the names of a bunch of people named Joe Smith."

"If someone could prove that charge, I'd be the most flabbergasted man in America . . . We could have elected Hubert Humphrey if we got the \$400,000 you're talking about."

Washington Post researcher Robin Groom contributed to this article.